



Department of Planning, Building and Code Enforcement  
801 North First Street, Room 400  
San José, California 95110-1795

Hearing Date/Agenda Number:  
P.C. – 5/26/04      Item 4b

File Number:  
GP04-07-01

Council District and SNI Area:  
7 – N/A

Major Thoroughfares Map Number:  
100

Assessor's Parcel Number(s):  
497-37-001

Project Manager: David Tymn

## GENERAL PLAN REPORT

### 2004 Spring Hearings

#### PROJECT DESCRIPTION:

General Plan amendment request to change the Land Use/Transportation Diagram designation from Light Industrial to Medium Density Residential (8-16 DU/AC).

**LOCATION:** Northwesterly side of Umbarger Road, approximately 1/4-mile west of Senter Road.

**ACREAGE:** 3.38 acres

#### APPLICANT/OWNER:

DAL Properties / TBL Properties

#### GENERAL PLAN LAND USE / TRANSPORTATION DIAGRAM DESIGNATION:

Existing Designation: Light Industrial

Proposed Designation: Medium Density Residential (8-16 DU/AC)

**EXISTING ZONING DISTRICT(S):** Unincorporated, County of Santa Clara

#### SURROUNDING LAND USES AND GENERAL PLAN DESIGNATION(S):

North: Santa Clara County Fairgrounds, Single-family detached residential– Public Park and Open Space, Medium Low Density residential (8 DU/AC)

South: Industrial Park development, Single-family residential – Light Industrial, Medium Density Residential (8-16 DU/AC).

East: Mobile home Park, Vacant, PG&E transformer– Medium Density Residential (8-16 DU/AC), Light Industrial

West: Light Industrial Uses – Light Industrial

#### ENVIRONMENTAL REVIEW STATUS:

Mitigated Negative Declaration pending. Circulation ends May 26, 2004

#### PLANNING STAFF RECOMMENDATION:

Medium Density Residential (8-16 DU/AC) on 3.38 acres.

Approved by:

Date:

#### PLANNING COMMISSION RECOMMENDATION:

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**CITY COUNCIL ACTION:**

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**CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:**

- The Department of Public Works – There are no significant Public Works issues regarding the proposed amendment.
- Department of Transportation – The proposed land use change would not result in a long-term traffic impact.

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**GENERAL CORRESPONDENCE:**

None Received

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**ANALYSIS AND RECOMMENDATIONS:****PROJECT DESCRIPTION**

This is a privately initiated amendment to the *San Jose 2020 General Plan* Land Use/Transportation Diagram to change the land use designation from Light Industrial to Medium Density Residential (8-16 DU/AC) on a 3.38-acre site. The area is located on the northwesterly side of Umbarger Road, approximately 1/4-mile west of Senter Road (413 and 425 Umbarger Road) This amendment would potentially allow the development of up to 54 dwelling units.

**BACKGROUND**

The subject amendment is located in a relatively small area of isolated light industrial uses on the north side of Umbarger Road. This area of industrially designated land is generally under-utilized and within close proximity to existing residential uses.

**Existing and Surrounding Land Uses**

The site is located in an unincorporated area of Santa Clara County. The site is currently unoccupied, and developed with three structures, one of which is an office building that was converted from an older single-family house. The project site is bordered by the Santa Clara County Fairgrounds and single-family detached homes to the north, single-family homes and an Industrial Park development across Umbarger Road to the south, an existing mobile home park and a PG&E transformer to the east, and light industrial uses including a construction yard, tow yard and vehicle storage to the west. The Santa Clara Fairgrounds property adjacent to the site is currently vacant and is shown in the Fairgrounds Master Plan for future use as a parking lot.

The proposed amendment site is part of a relatively small light industrial area, consisting of nine contiguous parcels approximately 9.2 acres in size located on the north side of Umbarger Road. There are also four parcels with industrial uses, totaling approximately 5.2 acres in size, on the south side of Umbarger Road. These parcels comprise light industrial and industrial park uses, including a tow truck storage yard, a construction yard, car and motorcycle storage, incubator industrial, and some underutilized and vacant land.



## ANALYSIS

Introducing medium density housing on property currently designated for light industrial uses raises many issues including land use compatibility, loss of industrially designated land, environmental impacts and General Plan consistency. Among the key issues for staff's review of the proposed change to the Land Use/Transportation Diagram are:

1. Whether the proposed Medium Density Residential (8-16 DU/AC) designation is compatible with the existing single-family residential and mobile home park uses in the immediate area.
2. Whether the land use change to facilitate a medium density residential development within a relatively small industrial area is consistent with the Major Strategies, Goals and Policies of the *San Jose 2020 General Plan* that encourage housing but also encourage preserving established industrial lands.

3. Whether the proposed medium density residential use of the subject site is compatible with other residential uses in the area and whether it would be appropriate for the remaining parcels of Light Industrial-designated land to also convert to residential uses.

## **Land Use Compatibility**

### **Surrounding Uses**

The proposed Medium Density Residential (8-16 DU/AC) designation is compatible with the existing single-family, mobile home and multi-family residential neighborhoods in the surrounding area. It is, however, somewhat incompatible with the existing industrial land uses in the adjacent industrial area to the west. By itself, the subject site would be difficult to develop in conformance with General Plan policies and the Residential Design Guidelines, due to its long, narrow shape and proximity to industrially designated lands and uses to the west. Introducing residential development next to industrial uses could result in complaints from new residents about noise, odors, industrial traffic, use of hazardous materials, and other potential impacts of industrial operations.

The subject property, together with the adjacent remaining industrial lands on the north side of Umbarger Road represent a more viable future residential area. The adjoining parcels to the west should be considered for conversion to residential uses, as well. Any future development of the adjacent parcels to the west should be designed to facilitate future residential development, including an integrated street pattern. In order to accomplish the appropriate level of residential development, staff recommends that the General Plan designation of the adjacent parcels be changed to residential and the parcels combined to create a more viable residential development site.

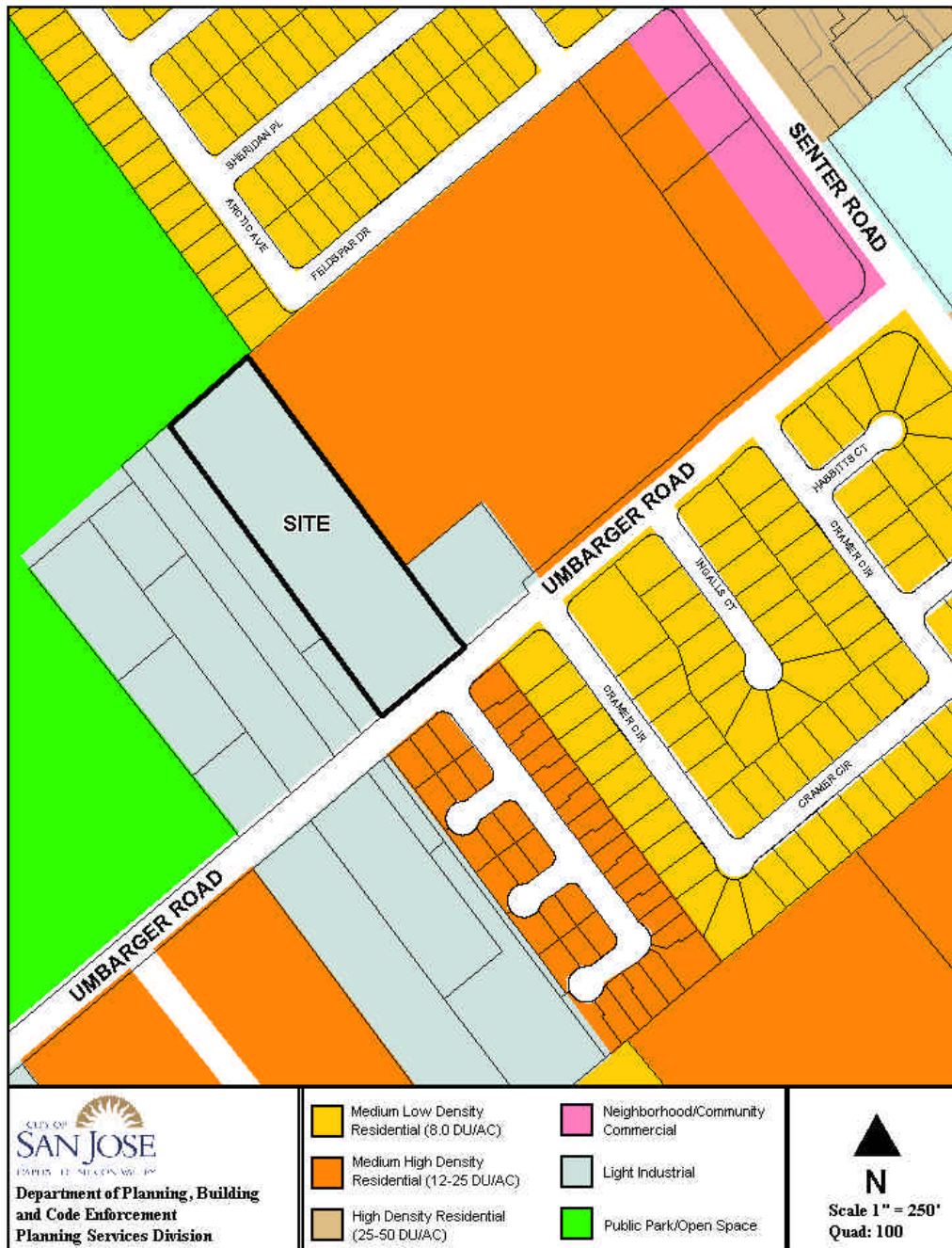
### **General Plan Amendments Approved in the Area**

A General Plan amendment (GP97-07-02) was approved in 1997 for the 4.8-acre property directly across the street on the south side of Umbarger Road to change the land use designation from Light Industrial to Medium Density Residential (8-16 DU/AC). A subsequent Planned Development rezoning (PDC98-08-060) was approved, resulting in the construction of 40 single-family detached homes.

### **Policy Consistency**

The proposed amendment supports a number of General Plan goals and policies, but is also in conflict with others. Of particular importance are the goals and policies related to the appropriate placement of residential uses to provide a high quality living environment, and the goals and policies related to preservation of industrial land for economic development. The proposed amendment would result in a loss of approximately 3.4 acres of industrially designated land. The proposed conversion of the site to Medium Density Residential (8-16 DU/AC), and its consistency with the General Plan is discussed below.

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Economic Development Major Strategy

The subject amendment is not consistent with the General Plan's Economic Development Major Strategy. An important component of the Economic Development Major Strategy is the preservation of the City's industrial areas that are critical to the City's economic viability. Light and heavy industrial areas, such as the one in which the amendment site is located, provide

viable locations for business support uses. These firms help to fuel the San Jose economy because they provide needed services and materials to other businesses, including driving industries. This amendment would further reduce the limited amount of land available for these uses, as well as reduce the viability of the remaining portion of industrially designated land for existing and future industrial uses.

#### Economic Development Goals and Policies

The subject amendment request is also inconsistent with the General Plan Economic Development Goals and Policies. These policies include the following:

**Economic Development Policy #2** states that in order to enhance the City's economic development goals and increase employment opportunities for San Jose citizens, the City should:

- Seek to attract businesses and industries, which are particularly suited to the area.
- Protect the industrial lands designated exclusively for industrial uses.
- Attract a diverse mixture of businesses and industries that can provide jobs suitable for the City's unemployed and under-employed labor force.

**Economic Development Policy #7** encourages a mix of land uses in appropriate locations which contribute to a balanced economic base, including industrial suppliers and services, commercial support services, and "green industries" (industries related to recycling or environmental preservation) as well as high technology manufacturers and other related industries.

#### Industrial Land Use Goals and Policies

The intent of the General Plan Industrial Land Use Goals and Policies is to encourage the development of industrial land to provide sufficient opportunities for job growth for the City's residents and for expansion of the City's tax base. According to the General Plan, because some of the industrial land use designations allow for development of non-industrial uses, it is critical that the Land Use/Transportation Diagram designates certain areas exclusively for industrial uses. These areas include North San Jose, Edenvale, and along the Monterey Corridor. Reserving some areas exclusively for industrial uses maintains the desirability of those locations in San Jose for potential future industrial users.

The project site is located approximately one half mile from the area formally identified as the Monterey Corridor. The subject industrial site and adjacent properties have in the past, served as an extension of the Monterey corridor with a mix of industrial uses on Umbarger Road. The area along Umbarger Road between Monterey Road and the amendment site has, over time evolved into a mix of residential and industrial uses, with the amendment site and adjacent industrial uses on both sides of Umbarger Road surrounded primarily by residential development and the Fairgrounds. As a result, staff believes that this area is clearly in transition and is more appropriately developed with infill housing, thereby eliminating the conflicting industrial-residential land use interfaces and continuing to concentrate industrial land preservation efforts along the Monterey Corridor.

**Industrial Land Use Policy #3** states that the City should monitor the absorption and availability of industrial land to ensure a balanced supply of available land for all sectors. The

proposed change to Medium Density Residential (8-16 DU/AC) would decrease the amount of land designated for industrial uses by approximately 3.4 acres. If the adjoining industrial land to the west is converted in the future, a total of 9.2 acres of industrial-designated land would be lost. However, as explained below, the proposed conversion is consistent with General Plan goals and policies and staff has identified this area to be suitable for conversion to residential uses.

**Industrial Land Use Policy #9** encourages industrial supplier/service business retention and expansion in appropriate areas of the City (e.g., Monterey Corridor). The proposed amendment would reduce the amount of land potentially available for such uses.

**Industrial Land Use Policy #11** states that because of the importance in retaining viable industrial supplier/service lands and the inherent incompatibility between residential or non-industrial uses and industrial uses, new land uses that may restrict development of land reserved exclusively for industrial uses should not be allowed to locate adjacent to these areas of the City, and in particular, sensitive receptors should not be located near primary industrial areas. Based on the mix of residential and industrial uses in the area, it is not considered a prime or exclusive industrial area.

**Industrial Land Use Policy #14** states that non-industrial uses which would result in the imposition of additional operational, and/or mitigation requirements, or conditions on industrial users in neighboring exclusively industrial areas in order to achieve compatibility are discouraged. Such uses could increase the business risk for certain users currently allowed in this area, due to incompatible activities, particularly the use of hazardous materials in the manufacturing process. As stated previously, staff would encourage the remaining industrially designated properties in the immediate area to convert to residential use. This would provide infill-housing opportunities and eliminate the potential for incompatible interfaces between existing industrial and new residential development.

#### Residential Land Use/Neighborhood Identity Goals

The Residential Land Use Goal of the General Plan is to provide a high quality living environment in residential neighborhoods. Residential Land Use Policies emphasize the protection of existing residential neighborhoods from the encroachment of incompatible activities. Conversely, it is not appropriate to locate new residential uses in areas that could be adversely affected by existing industrial uses, such as the properties that are located in the vicinity of the subject site.

The proposed residential use at this location is consistent with the City's goal that new residential developments should create a sense of neighborhood identity. Introducing a medium density residential development on the subject site would facilitate infill housing development that would help complete residential conversion of this section of land along Umbarger Road. However, development of this parcel alone would not be desirable. If this site is changed to residential, then the remaining parcels on this side of Umbarger Road should be developed residentially to help create a viable residential neighborhood.

**Residential Land Use Policy #2** states that residential neighborhoods should be protected from the encroachment of incompatible activities or land uses that may have negative impacts on the residential living environment. Future development of the larger 9.2 acre area should be master

planned so that phased development can occur consistent with an overall design for efficient circulation, creation of a high quality living environment and reduction of the effects of any remaining incompatible industrial uses.

**Residential Land Use Policy #24** states that new residential development should create a pedestrian-friendly environment by connecting the features of the development with safe, convenient, accessible, and pleasant pedestrian facilities. Such connections should also be made between the new development, the adjoining neighborhood, and transit access points. Conversion of the remaining industrial properties in this area to residential would provide an opportunity for new development to connect streets and sidewalks together and to the adjacent neighborhoods.

### **Evaluation of Industrial Land Conversions**

The "Framework, as a Guideline, for Evaluating Proposed Conversions of Employment Lands to Other Uses" divides the City's inventory of industrial areas into three categories: 1) those to promote or facilitate conversion, 2) those to consider conversion under certain circumstances, and 3) those to preserve for Driving and Business Support Industries. The Monterey Corridor 2 sub-area, which includes the subject site, falls in the third category. In this category of the Framework, the City Council added that conversions may be considered if the proposal would accomplish any of the following:

- Complete a transition to existing neighborhoods within or adjacent to the sub-area;
- Buffer and provide uniformity to existing neighborhoods within or adjacent to the sub-area;
- Further the City's smart growth policies;
- Aid in revitalizing declining neighborhoods within or adjacent to the sub-area.

Staff considers the subject site to be a somewhat isolated "island" of industrially designated land that should be considered for conversion to residential to both complete a transition and provide uniformity to existing residential neighborhoods. The proposed change to Medium Density Residential (8-16 DU/AC) is considered compatible with the adjacent residential uses and would help to complete a transition from industrial to housing on the edge of the Monterey Corridor 2 subarea.

The Framework identifies key criteria that need to be evaluated when considering conversion of employment lands to other uses. The following is an analysis of the proposed amendments based on the established criteria.

#### **1. Economic contribution of the sub-area**

A background report for the City's fiscal impact study, "Towards the Future: Jobs, Land Use, and Fiscal Issues in San Jose's Key Employment Areas: 2000-2020" describes the Monterey Corridor 2 subarea as one of the five subareas in the Business Support Industries category. This portion of that subarea is generally not utilized to its full potential as lands for industrial and business support uses. The existing industrial properties on the north side of Umbarger Road tend to be used more for storage than for active business support. While there is the

potential for intensified industrial use at this site in the future, conversion of this land to residential would not be considered a significant loss of employment lands. The industrial land on the south side of Umbarger within the vicinity of the project is, however, a fully functional business support/incubator industrial development. If this property were to be designated for residential development in the future, this change could be considered loss of viable employment lands.

2. Consistency with City Policies and Strategies

The proposal is consistent with the General Plan Growth Management and Housing Major Strategies, in that the amendment would facilitate infill residential development within the urbanized area where urban facilities and services are already available. The amendment would also support the Growth Management Strategy's goal to provide new housing in close proximity to the employment centers (e.g., Monterey Corridor and the Downtown). As described above in the Policy Consistency Section, the conversion of this amendment site, alone, could result in future conflicts between the new residents and the existing adjacent incompatible industrial uses. Future conversion of the remaining industrial parcels would resolve this conflict and would be consistent with the Urban Conservation/ Preservation Major Strategy by enhancing the residential neighborhood character and area identification.

3. Proximity to existing neighborhoods and areas in transition

The areas to the south and east of the amendment site are fully developed with residential neighborhoods. Staff considers this pocket of Light Industrial-designated land an underutilized industrial area that is transitioning away from active industrial use. Conversion of the remaining industrial land to residential use would eliminate conflicting non-residential uses, thereby enhancing the neighborhood character of the area.

4. Proximity to incompatible employment uses (e.g., manufacturing, recycling, etc.)

As discussed, this site is directly adjacent to Light Industrial-designated land that does allow uses that are fundamentally incompatible with new residential uses. However, staff is recommending that if this site is allowed to convert, that, in the future, the remaining industrially designated land in the vicinity of this amendment be considered for conversion as well. The "Towards the Future" report states that "the introduction of new residents who might complain about noise, vibration, truck traffic, and other negative impacts of industrial activities on neighborhoods can erode the ability of industrial operations to function in the way they need to. Experience in other areas shows that even when industrial uses predate housing, residents often end up complaining about those uses." To facilitate redevelopment of the subject site in conformance with General Plan policies and the Residential Design Guidelines, the collection of industrial parcels on the north side of Umbarger should be considered for residential conversion.

5. Potential inducement of additional conversions to residential use.

There is a strong likelihood that the proposed change would be a catalyst to induce future conversions of surrounding industrial properties. However, as previously discussed in this report, staff believes that the surrounding industrial properties are not prime employment lands and that it is not essential that these properties be preserved for industrial uses.

6. Proximity to transit service

The nearest bus route is located on Umbarger Road, which is directly accessible from this site. The nearest rail transit station is the Caltrain Station on Monterey Road opposite Fehren Drive, which is approximately 1.5 miles away. The site is not generally within walking or bicycling distance of employment centers but there are business support operations that are within approximately one-half mile to the west on Umbarger Road and Monterey Road.

7. Proximity to compatible employment uses (e.g., office/ R&D).

The majority of nearby employers would be considered Business Support Industries providing industrial and commercial support services. There are also some Driving Industries, and Research and Development uses on the south side of Umbarger Road.

8. Availability of neighborhood services, and residential and commercial mixed use drivers.

Existing nearby neighborhood serving retail and service establishments consist of a restaurant, furniture store, liquor store, and various retail commercial businesses on Senter Road at Umbarger Road. The nearest location for larger scale commercial would be the future development of the site on Curtner Avenue, formerly occupied by General Electric, though this would not be considered within walking distance. The amendment site is not nearby a public library or school facilities. The area is deficient in public parks/open space, but is located within approximately ½ mile of the future Coyote Creek Trail.

9. Public Benefit

If approved, this amendment would provide additional housing units in the City of San Jose. No extraordinary public improvements or infrastructure is anticipated to be included in the future residential use of the site.

10. Adequacy of Fire/Police service levels

The proposed General Plan amendment will not directly adversely affect the ability of the San Jose Police Department to provide service. At the time the specific design of a project is proposed, the Police Department would also review the residential project to see that it is designed appropriately to deter criminal activity and maximize resident safety. It is anticipated that there will be adequate fire service for the project. The proposed residential project would be required to meet current codes, including features that would reduce potential fire hazards.

11. Utilization of bicycle and pedestrian facilities, and promote pedestrian access

The site is not generally within walking or bicycling distance of employment centers but there are support businesses that are nearby, west on Umbarger Road and Monterey Road.

12. Potential environmental impacts and mitigation measures

The proposed General Plan amendment was analyzed in an Initial Study that resulted in a Mitigated Negative Declaration that was circulated on May 6, and is scheduled to be adopted on May 26, 2004. The Initial Study determined that the change in land use would create less than significant impacts in the following environmental categories with the inclusion of General Plan policy mitigation:

- Land use
- Aesthetics
- Air quality
- Cumulative Impacts
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazardous Materials

13. Potential fiscal impact

This criterion is intended to identify the potential fiscal impact on City revenue and services costs from the proposed amendment. The conversion from Light Industrial to Medium Density Residential (8-16 DU/AC) on the subject site, as well as the potential future conversion of the remaining industrial lands on the north side of Umbarger Road, would not be expected to create a fiscal impact on City revenue and additional service costs.

## **PUBLIC OUTREACH**

In preparation for the May 26, 2004 Planning Commission hearing and the June 1, 2004 City Council hearing, the property owners and occupants within a 1,000-foot radius were sent a notice of the public hearing to be held on the subject amendment before the Planning Commission and City Council. The applicant has scheduled a community meeting to be held on May 20, 2004. The results of that meeting will be presented at the Planning Commission hearing. Staff has received no written comments or phone calls regarding the proposal. In addition, the Department's web site contains information regarding the General Plan process, amendments, staff reports, and hearing schedule. This site is available to any member of the public and contains the most current information regarding the status of the amendments

## **RECOMMENDATION**

Staff recommends a change to the General Plan Land Use/Transportation Diagram from Light Industrial to Medium Density Residential (8-16 DU/AC) on 3.34 acres.

## **Attachments**

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